GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2426
ANSWERED ON:10.03.2000
EXCISE EVASION BY BEEDI MANUFACTURERS
M. JAGANNATH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are losing Rs. 1 crore per day on Central excise duty on beedi as manufacturers are evading by fictitious figures;

(b) whether production in inorganised sector workers is never shown and sold in local market; and

(c) if so, the steps proposed to be taken by the Government to increase revenue on beedis ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (V. Dhananjaya Kumar)

(a) & (b) : No, Sir. Evasion of Central Excise duty to the tune of Rs. 1 crore per day bybeedi manufacturers by fictitious figures have not come to the notice of the Government. Unbranded beedies, other than paper rolled beedies, manufactured without aid of power attract nil rate of duty upto a quantity of Rs. 20 lakh in a financial year. Sale of such beedies in local markets does not amount to evasion or loss of revenue. Strict vigil is kept on other manufactures of beedies to prevent evasion of central excise duty.

(c) : Does Not arise.